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WORKMEN'S COMPENSATION

Delivered by

HENRY W. BULLOCK,

Chairman of the Workmen's Compensation Commission of Indiana, Before the Indiana Bar Association, July 10, 1913.

FIVE CENTS.

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WORKMEN'S COMPENSATION COMMISSION OF INDIANA.

The General Assembly of Indiana at the sixty-eighth regular session (Acts 1913, p. 897) provided for the appointment of a commission to consist of five persons whose duty shall be to make inquiry relative to the causes, extent and liability of employers to employes for industrial accidents, the efficiency, cost, justice and defects of present laws relating to their compensation and to submit their recommendations at the session of 1915. The commission is authorized to send for persons and papers, to administer oaths and examine witnesses and papers respecting such matters. The commissioners serve without pay except one member who is actually engaged in labor. The sum of $2,000 was appropriated for the necessary expense of such investigation. Governor Ralston appointed the following persons as members of the commission:

HENRY W. BULLOCK, *Chairman*,
Attorney-at-law, Indianapolis.

WILLIAM GREENE, *Secretary*,
I. T. U. No. 1, Indianapolis.

JOHN E. FREDERICK, Kokomo,
Secretary Kokomo Steel and Wire Company.

ALFRED M. OGLE, Terre Haute,
President Vandalia Coal Company.

CHARLES FOX, Terre Haute,
Secretary District 11, U. M. W. of A.

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WORKMEN'S COMPENSATION

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Mr. Chairman and Members of the Indiana Bar Association:

I wish to thank you for this invitation to address the Association, but after listening to the report of Mr. Harris and his committee, and reading their comprehensive report of a year ago, I am very much in the position of the smallest boy of three, who answered an advertisement for "Boy Wanted."

The oldest boy told the would-be employer that he could clean up the office and do numerous other things which he enumerated. The second boy said that he could do anything that the oldest could do with a few additional things, which he named. When the smallest boy was asked what he could do, he said: "I can't do nothin'. The other fellers have done it all."

Mr. Harris and his committee have done so much that I am relieved of much of the burden. Governor Ralston has appointed a commission of five to study the cause and extent of industrial injuries, and to recommend some measure for their prevention and compensation. In this work we ask the hearty cooperation of the Indiana Bar Association, as a body, and of all of its members as individuals, and as citizens of a State of no mean importance in the industrial world.

In social legislation Indiana has taken but little part for fifty years or more, until the last few sessions of the legislature. Almost 100 years ago Indiana was honored by having in her midst some of the greatest educators of the world, the foremost leaders of industrial education, and the most renowned zoologist and geologist of their time. These educators came to our State at the solicitation of Robert Owen, who, a hundred years ago, demonstrated to the world that industries can be conducted humanely and profitably at the same time. While Mr. Owen's communistic theories did not succeed at New Harmony, yet his humane principles and educational policies were of untold blessing to our State, and the statues of two of his sons now adorn our State capitol, placed there by loving hearts as memorials to humanity in commercial life.

When we consider that every year one coal miner out of every ten in Indiana is injured, one steel worker out of every five, and one railroad worker out of every twenty, with even a greater proportion in some of the building trades, we can more nearly comprehend the social problem with which we must deal. Annually ten times as many laborers in the United States are injured, while in their various lines of duty, as were engaged both on the Union and the Confederate sides in the battle of Gettysburg, and every year practically as many American workmen are killed in the line of their employment as fell upon that field of valor and carnage fifty years ago. As these fatalities occur to workmen, whose average age does not exceed thirty-five years, their families, and society as well, are deprived of thirty years of productive labor. While their families must suffer, society also will suffer in defective citizenship with low living standards, or you and I must make this up through our contributions to some social insurance fund, which will relieve the social shock now borne by a few. Justice demands that all citizens be well paid and cared for, and, if the wages received are not sufficient under all circumstances to provide against want in every contingency, then they are not a living wage.

We have been permitting employers and employees to deal with this question between themselves, without regard to the social significance which it embraces. From time to time, we have enacted employers' liability laws, which impose duties of compensation, or, rather, provided for causes of action for the misconduct on the part of employers or their servants.

We have finally succeeded in abolishing the fellow-servant rule which Secretary Ireland said "was invented in 1837; Lord Abinger planted it; Baron Alderson watered it; and the devil gave it increase."

These laws have been beneficial in that they secured payments in many instances to those seriously injured, but they have been found defective in that they do not provide for compensation in all cases of injury. Most foreign countries have gone further than we have, and have provided that in every case of disability there shall be compensation in proportion to the degree of the injury.

There can be no argument brought against the theory that every man, who commits a private wrong on another, should pay the injured party. The employers' liability laws are right in principle, but are insufficient to meet the situation. Society does not demand their repeal but their extension. The objections to these liability laws are to their administration rather than to their principle. We must not confound a liability law with a compensation law or social

insurance measures. Liability laws deal only with misconduct and wrongs. Compensation laws deal with social and economic conditions without regard to misconduct. The objections to the operation of liability laws can be summed up as follows:

1. Only a small portion of injured workmen receive substantial compensation. Thus the standard of citizenship and of living is lowered, and the public is the sufferer.

2. The system is wasteful, being costly to the employer, and to the state in maintaining courts, and to employees in their attorneys' fees.

3. The system is slow in operation.

4. The operation of the law breeds antagonism between the employers and their employees.

5. It throws the burden of suffering upon a few directly and upon society indirectly.

Many foreign countries have gone beyond compensation for misconduct, and have provided social insurance reaching all classes of disability, and have provided systems of insurance whereby the many, who have profited, shall divide the burden with the few, who have suffered. Our Federal Government, in 1908, recognized this principle, and enacted a law for the compensation of a part of the civil employees of the United States. This law, as finally extended, covers about one-fourth of the 400,000 civilian employees of our government. From August 1, 1908 to July 1, 1911, there were 21,033 injuries reported regarding government employees, of which 670 were fatal. Claims were made on 363 of these fatal injuries, and on 7,622 of the non-fatal cases and $960,000 was paid for the same and out of the Federal treasury. Thus 307 deaths and 13,104 lesser injuries were not compensated for out of the public treasury.

Senator Kern, of Indiana, has introduced a measure in Congress to provide for compensation in all cases affecting government employees, either by disease contracted while in service, or from accident received while in the line of duty.

EXTENDING LIABILITY WITHOUT NEGLIGENCE.

I do not deem it necessary to discuss, at great length, the constitutional question of liability without negligence. Our laws have written into the contract of employment that an employer shall be liable for certain negligence of himself or of his employees, which inflict bodily injury to workmen. The laws have prescribed certain rules of conduct, which the employer and his servants must follow, and, if the violation of these rules causes injury to a workman, he may recover. This is as it should be. But there is a large number

of industrial accidents—more than half, in fact—where the conduct of the employer is in strict accord with the law, and where he is guilty of no legal shortcoming. These injuries result from the inherent hazards of industry—from the dangers which strictly adhere to and are a part of the industry itself—for which no one can be legally blamable.

To my mind it is useless to discuss the academic proposition of compelling the employer to respond in damages, where he is guilty of no misconduct or negligence. Private wrongs or torts are personal; but the injuries occurring from the inherent hazards of industry are not personal, and should be charged against the industry, as a whole, and not against the individual employer.

Society, in its organized form, may adopt any law, rule or regulation it sees proper concerning property, life or liberty. It is only a matter of expediency whether or not it does this. Constitutions are adopted that these changes may not be radical, and that certain rights may be guaranteed as long as the constitution endures. All property rights are created by law, and can be destroyed or modified by law. All property is held, devised and conveyed only by virtue of statutory and constitutional laws. We have no vested rights in rules of law or conduct, except as society has spoken through constitutions. So, all laws regarding fellow-servants, contributory negligence, and assumption of risk may be modified at the pleasure of the legislature.

The police power extends to all public needs, and it may be broad enough to cover the economic needs of industry. It has been decided, by the highest courts, that sometimes an ulterior public advantage may justify the insignificant taking of property for immediate private purposes. Chief Justice Taney decided, in the license cases, that the police power is the power inherent in the government to govern men and things. It is a conceded proposition that, when property becomes affected with a public interest, it becomes subject to public control. All law limits liberty, or individual action, but at the same time guarantees rights. Law may, in some manner, diminish property rights, but in some ways it also increases them by promoting the general welfare, and creating conditions and opportunities for its enjoyment. Property is governed by law for the convenience of the public as well as the owner, as street improvements are ordered and special assessments laid for the general welfare.

There are examples where the State collects funds from a large number of persons, by assessing a tax, and thus distributes the burden, and lessens the social shock. Among these examples are the

(a) bank guarantee laws, (b) sheep-killing dog laws, (c) care for the unfortunate and tubercular, (d) taxing insurance companies for the maintenance of fire marshals and injured firemen, etc.

I am firmly convinced, however, that under our present constitution the courts of Indiana must always be open for injuries done to the person of workmen, unless this right is waived by contract, and that the amount recoverable must be adequate for the damage sustained. In other words, there can be no compulsory compensation law in Indiana, which will deprive workmen of the right to bring action in court for private wrongs. However, laws may create conditions which will make it impossible for them to obtain employment unless they waive this right.

Social insurance however, can be made compulsory by imposing an occupation tax on business or an excise on corporations for the right of doing business in their corporate capacity. This was decided by the Supreme Court of the United States in the cases involving the taxation of corporations. In fact great latitude has always been allowed in the imposition of occupational taxes either for revenue or regulation. If employers really desire a compulsory compensation law they can assist in the passage of such a measure as we believe it will be held valid.

SOCIAL INSURANCE.

We should not view this question as extending personal liability to cases without fault. We should consider workmen's compensation as a scheme of social insurance, the whole theory being that the cost of caring for the sick and injured in industries should be added to the cost of production, and borne by those who consume the articles produced by the unfortunate laborer. This shifts the proposition from that of the relation of master and servant to the relationship of society to the producers of wealth and comfort. The ingenuity of man has developed complex machinery which has reduced the cost of production but has at the same time increased the waste of human life and limb. Society receives the benefit of the decreased cost and should bear the burdens of the increased waste, which cost should be added to the price of commodities and be distributed among the consumers of such commodities. Business conducted by employers is not their business. Society demands certain commodities, and employs manufacturers and transportation companies to secure these commodities. Thus the employers are agencies employed by society, and society has the right to say how its money paid for commodities shall be expended. Employers charge insurance rates against the consumer, and the consumer has a right to say how the

price, which he pays for commodities, shall be expended for the common good. It then becomes a question of how a community shall tax itself, and how we shall spend our own money so that we in our social organization shall receive the greatest benefit.

Workmen's compensation, or social insurance, in my mind, should not create a new relationship between master and servant by writing into the contract of employment new conditions, but, rather, should be a compact between the state, or society at large, and those who labor, so as to guarantee the care of those who labor as an economic necessity and social duty. It then becomes a social question, and not a matter between employer and employee.

Society demands coal, lumber, automobiles, and other commodities, and asks men to risk their lives to produce them. If we enjoy their comforts, we should fully pay for all the energy and sacrifice required for their production. In other words, the inherent hazards of industry should be borne by the community at large where thus produced, but the negligence of employers should be a personal proposition, for which an action at law can be maintained. We received by the few, so that the social shock would not be felt by society at large, through defective and inefficient citizenship of the should, by social insurance, distribute among the many the burdens afflicted, nor crime and ignorance of those immediately affected. This compensation should not depend on negligence or fault any more than the ordinary insurance policy. It should be a covenant to pay when the burden falls on the workman, unless the injury is intentionally self-inflicted.

PLANS OF COMPENSATION.

Since the consumer, or the public at large, pays all of the expenses of production, the question is: How shall the community best tax itself to obtain the most efficient administration of the insurance fund? It is no longer a personal matter between employer and employee. To say that a scheme allows the greatest liberty to the employer is a condemnation for it, rather than an argument for its existence. We have had liberty already, and it has brought dire results to the community. We must have regulation and control.

We would have but little trouble in devising plans for the distribution of funds to cover industrial disability if only the injured parties and the public were concerned, but through the operation of liability laws third parties have come into the arena. Insurance companies with their attorneys, agents and adjusters are in the field acting as buffers between employers and employees. They are writing practically $1,000,000 of insurance each year in Indiana and paying

but a little more than $500,000 in claims. Their agents receive commissions approximating $200,000 annually and their attorneys and adjusters similar sums. These agencies are working for profit and are crying hard against the loss of profits which should not be considered in the solution of this problem. We also have another class of attorneys who handle personal injury cases for workmen and who in the aggregate receive perhaps $150,000 to $200,000 a year from injured workmen and their families. One line of work is as honorable as the other and while one may chase the ambulance the other haunts the grave and often times imposes upon the widows and orphans through deception and inadequate payments. There is a margin of $700,000 to $800,000 wasted in handling the present fund and if our commission can devise plans to distribute this fund more economically and efficiently, we will have promoted the general welfare through the saving of waste.

Workmen's compensation laws provide for the distribution of the funds in the various states and counties as follows:

1. By employers direct, or through their insurers, without regulation, or controlled by the state. This is a most unsatisfactory method, as it allows a cunning adjuster of liability companies to impose on an ignorant workman, and permits him to plunder the orphan and widow. It has a tendency to curtail the sums paid to the workmen, and thus defeats the purpose of such laws, through the incentive to save money, by making the payments small. Some states have this plan, with a state board to hear appeals.

2. In some States and countries the fund is distributed by mutual insurance companies controlled by employers. This is almost as unsatisfactory as the first. Germany has this system, and fifty per cent. of the cases there are appealed, because the employers cut down the allowance to reduce their expenses.

3. Some States and countries require the funds to be administered solely by stock insurance companies. This method makes those financially interested the judge of their own cause.

4. Other countries, and a number of the States, collect the funds through State agencies, and distribute the same through impartial State boards. Ohio, West Virginia, Washington, California, Nevada, Oregon and a few other States, have adopted this plan of state insurance, in whole or in part, with success and have administered an insurance fund for the benefit of injured workers with economy. The experiments worked out in these States will compare favorably with Germany and other countries where social insurance has been in existence for a longer number of years.

While all compensation laws in this country are experimental as yet, the general tendency is towards state insurance as productive of the greatest social efficiency. A joint control of the funds by employers and employees has worked well in Germany, during the first thirteen weeks of disability. Under state insurance, the workmen receive all that the employer contributes. The element of profit is entirely destroyed. No workmen's compensation law will work well where there is a tendency to make profit out of the misfortunes of others. The greatest objection to employers' liability laws is, that the employers pay large sums, while the employees receive but a fractional part of the amounts so paid.

As an example of the defects of our present laws, especially those governing liability insurance, is that of the Prest-o-Lite Company, of Indianapolis, which employed contractors to erect a concrete building. The building collapsed and many workmen were killed. The policy in the first place was to protect the employers against loss which they would sustain or have to pay. The contractors became insolvent and nothing could be collected from them and not having to pay anything the surety company was not liable, besides the surety company claimed it had issued a policy to the firm as general contractors and that at this time they were doing concrete work. The owners may or may not be liable under the dangerous employment act of 1911. At any rate, a large number of dependents were left, widows had to take to the washtub, the aged had to suffer and children were deprived of the advantages which otherwise would have been provided for them. There was a social shock not alone to the workmen and their families but to the community. Justice would dictate that insurance policies should be issued for the benefit of the workmen if nothing more.

Compensation could be provided with but little additional cost if the waste was out of the transaction and workmen received all that the employers pay. In 1911 there was more than $35,000,000 collected for liability insurance in the United States, $20,000,000 of which was paid in losses. Probably $8,000,000 of this was paid in attorney fees by workmen, leaving not more than $12,000,000 to go to the actual relief of the injured. Some of the companies writing this insurance are foreign corporations who began in this country by a loan or deposit of $200,000 to the American branch. These loans have been repaid many times and these foreign companies really have nothing invested in this country, but in 1911 on no investment one of the companies received from the American branch $565,000, another $153,000, another $96,000, another $63,000. This money was taken either from the workmen through decreased wages, from the

employer through the reduction in dividends or from the consumer in an increase in price of products. In any event it lessened the comforts of the American people.

Where workmen receive all that the employers collect the price of commodities is not enhanced in any material degree as wages constitute only about one-sixth of the price of products. Liability rates are usually calculated on the payroll. In Indiana we pay as much for liability insurance as the Ohio people do for compensation, as in that State the employers pay a certain percentage on their payroll based on the hazard of the industry. In Indiana the liability rate on structural iron work is $10.50 on the $100 of payroll, in Ohio the compensation rate is $6. In Indiana the liability rate on concrete work is $5.60 while in Ohio the compensation rate is $4. In electric light work in Indiana the rate is $5.25, in Ohio the compensation rate is $3.10. In shoe factories in Indiana, the rate is 35 cents to the $100 of payroll; in Ohio it is 45 cents. While knitting mills in Indiana pay 42 cents and in Ohio 30 cents. Shirt manufacturers pay 21 cents in Indiana and 20 cents in Ohio. Publishers in Indiana pay 35 cents on every $1.00 of wages paid in the production of books and 30 cents in Ohio. Thus lawyers pay 35 cents to every $100 of wages paid od 35 cents to every $600 worth of books purchased. Even if this rate would be doubled or tripled, the price of law books would not advance to any perceptible degree and even at that we would have the pleasure of knowing our books were not printed in blood or bound in tears.

The element of profit should not be considered in workmen's compensation any more than in conducting our courts, operating our schools or caring for the sick and afflicted. We might as well turn our courts and schools over to private agencies as to permit private agencies to administer a social insurance fund. The private agency would conduct our government with a view of profit, rather than efficiency, just as our utility companies have often attempted to do at various times to have a wide margin between a maximum of charges and a minimum of service. We do not want the service of our courts, schools and administrative agencies skimped in efficiency. We want service for every dollar, but our first concern is service. Private agencies might employ our judges at a lower salary and our teachers for lower wages or they might conduct schools in competition with our State schools, but that would not be an argument for privately conducted government. We would not even turn the collection of taxes over to a saving bank or permit them to say in what manner our public funds should be administered.

We pay the bills in the end and must decide how they must be paid. The question is not how little can we pay the workman or compel him to take, but what he is entitled to and what is the best for the common welfare.

No man can be a judge of his own cause, and when an employer, a mutual or stock company is permitted to decide how much a workman is entitled to, whether he received the injury in the course of his employment, how long he will be disabled and the percentage of his disability, the judge and paymaster are one and the same person and the judge immediately turns financier and attempts to cheesepare the amount to be paid and there is strife and contention the same as under existing laws. Laws which permit such settlements are nothing more than liability laws which limit the amount of recovery and tie the hands of workmen so that there will be no recovery in the courts. We are told we must abolish waste. If this is true, we must abolish dividends, premiums and commissions of insurance companies and their agents and we must abolish the fees of their attorneys. These are wastes just the same as the contingent fee of the attorney for the workman.

Some welfare and pension schemes of employers are devised for the purpose of preventing compensation and as an insurance against strikes and demands for better living conditions. They should be regulated by law so that workmen have some vested rights and will not be placed in a position where their employment and accident funds will be hazarded in case they seek what is just. The funds provided for compensation and welfare schemes are produced by the labor of the workmen and are consequently withheld from their wages. If they were not produced by the workmen, they would not be in existence. The state should control their distribution and provide for their security. This should not be left to the whim of employers, however generous some may be. They are only human and having power to discharge employees, some may at times hold the possible loss of position, benefits and pensions over the heads of workmen like Dionysus suspending the sword over the head of Democles. An ever-present menace of the strong having the power to withhold subsistence from the weak, is incompatible with either civil or religious liberty. Hamilton well said, "In the general course of human nature the power over a man's subsistence amounts to a power over his will." We can have no liberty, political or otherwise when workers depend upon the arbitrary will of employers for their existence during days of misfortune. If the popular will of the nation requires a constitution as a safe-guard against turbulence and

passion, it is equally true that some security should be provided against passions and human weakness in industry.

I once noticed a small boy go to a butcher shop with a bench legged bulldog. I thought it was a useless animal. When he returned with a large piece of liver a hound attempted to share it with him by taking the larger part. The bulldog played an important part. As long as we have the hungry adjusters and attorneys of the insurance companies, the injured workman is entitled to his bulldog. We should attempt to create a condition where both classes of animals will become useless and the workman will be protected by an impartial administrative board, the same as he is supposed to be protected in the streets and at his fireside. Profits in administering this fund are incompatible with the very idea of social service and economic justice as profits are charges and must necessarily be taken from the wages of the worker who with his family must suffer, or taken from the consumer in the way of increased price and this adds to the high cost of living and social want.

The fund created for social insurance should be collected from the employer as a source or agency as he is enabled to pass it on to the consumer by adding it to the price of the commodity and thus distributing the cost among the large number of consumers. It should not be taken from the wages of the worker as it would lower the living condition of our State and would be adding burdens to those engaged in hazardous industries instead of decreasing those burdens. We should not take premiums from workmen in dangerous employment. The theory of the law heretofore has been that dangerous employment should pay higher wages, but as this accident rate is the greatest it would be decreasing the income of workmen injured in hazardous employment more than those in any other industry. The employers do not pay these premiums. In all contracts and business, insurance rates are estimated as a part of the overhead expense and in the construction of buildings all contractors make these estimates and landlords fix the rents according to the cost of construction and tenants pay the bill.

Any law which may be drafted or enacted should provide ample relief and should not be formed on lines to save money at the expense of the common welfare. Most of the so-called compensation laws are a disgrace to this country. When it comes to paying a workman $150 to $200 for the loss of an eye or a limb, we have introduced European living conditions in the community where American dividends prevail. Sixty to 85 per cent. of all injuries are of less duration than two weeks and a law which exempts payment for

the first two weeks of disability and then gives only one-half wages for a period of from three to five years, is an ingenious scheme to defeat compensation and a plain illustration of how not to do justice. I know of the case of a coal miner who has been blind for twenty-seven years, another who has been disabled for thirty-three years and a law which gives compensation in a limited manner for five or six years for permanent disability is a disgrace to any State and is not as efficient as our employers' liability laws. I have in mind two cases where children were born after their bread winners were fatally injured. A law which would allows a limited compensation for five or six years and leave them helpless during the period when their character is forming would be unworthy of our State. The law should be so formed that it will not raise the price of commodities beyond those produced in other States. Otherwise in the competition that exists wages would have to be lowered, or profits reduced in order to meet competition of articles produced in States that are less liberal and just, but we need have but little fear as the rate on manufacturing establishments is so small that it would add very little to the cost of any commodity.

The main object sought is to prevent industrial accidents and disablements. We are so constituted that our mind travels along the line of least resistance and where there is no penalty, the employer is apt to conduct his business without safeguards and without due care. That has always been the history of industry. If there is resistance in the way of penalties, greater care will be exercised and where employers are liable to respond in damages for the disregard for safety appliances, there will be fewer accidents and the insurance rate on each industry will be less. It is to the interest of the careful employer that the negligent ones should be subject to such actions as penalties, so that the accident and insurance rates can be kept at the lowest possible point.

It might be best to have our Bureau of Statistics consolidated with the Bureau of Inspection so that the department which gathers information regarding our industries can classify the same that there shall be no duplication of services and it might be the best that the Department of Inspection be changed to a department of labor or an industrial commission under the management of three or five persons who can make the necessary inspections, distribute the insurance fund, investigate accidents and the extent thereof and at the same time can give instructions on the better sanitation and conduct of industries. In this way there would be no duplication of service for with the increased number of inspectors, which are even now neces-

sary, an insurance fund for the benefit of workmen could be handled efficiently and with less expense than our courts are now handling accident cases and a large amount of the $500,000 spent annually to maintain our courts and juries could be saved, as a large percentage of it is spent on account of litigation regarding personal injuries. In States where the insurance fund is collected and distributed through the agencies of the State there are boards of award or commissions composed of three or more members and a sufficient staff to make inspections and handle the funds. Indiana should do nothing for herself of less consequence than this. The most just and effective plans should be chosen, that excessive rates may not be charged against employers, that amounts due workmen should not be withheld from them, that our industries should not be the prey of corporations organized for gain, but that the moneys collected from the consumers should all be spent in our state, not to enrich foreign treasuries. Any measure which is an improvement over our present laws must provide for the elimination of waste and profit to distributing agencies, must obviate delay, must provide security for the deferred payments of the compensation and must provide some State board without financial interest in the fund to administer it. If it be objected that this State board would be a political agency, we would show that our State institutions, schools and affairs are very well managed and when our State employees are free the yare usually employed by insurance companies either as solicitors, adjusters, attorneys or managers, so that the employes of insurance companies are the same men who have served the State and are no better. Men under oath and bound to the state to decide controversies according to their duty are more apty to judge justly than when under the employment of one of the parties to a cause, with their employment depending on how they decide and the salary they receive upon the amount they retain from workmen upon whom they sit in judgment. The efforts of casualty companies to convince the public that twenty-five per cent. of injured workmen "malinger" during the adjustment of causes, is an unwarranted effort to prejudice the case in the "court of public opinion" and their present efforts to extend the period for which no payments are to be made during disability are conclusive arguments against making them the judges of their own cause. They have recently filled our magazines with warnings against the successful efforts of the German people to care for their workmen through vocational training and social insurance. These systems are satisfactory to the employers of Germany but are meeting the opposition of American casualty companies because they are administered with-

out profit for them, and they are fearful that the American States will institute the same efficient, economic and comprehensive schemes in this country on a practical basis without giving Shylock a chance to take his pound of flesh and the blood from the American people. Montesquieu says, "Constant experience shows that every man invested with power is apt to abuse it and carry his authority as far as it will go." Hence companies organized for gain should have no authority to sit in judgment in matters which affect their income. Our Parcel Post and the Federal Compensation Law are examples of efficient public service.

The problem before our commission is that of choosing some plan to distribute the social insurance fund economically and with the best results for the common good. Whether we should select one method or a combination of methods is yet to be determined by our commission and the people of the State. Much will depend on the intelligence and earnestness of our citizenship and much will depend on the lobby employed by financial interests and foreign capital to control the Legislature. We have met with this opposition before. The American Association for Labor Legislation is favoring measures to report occupational diseases and injuries. Such a measure was defeated last Legislature by lobbyists on the theory that it would give ambulance chasing lawyers information regarding accidents. Hours of exposure and fatigue increase industrial accidents, yet we met with lobbyists who opposed the reduction of hours of labor for women and children on purely selfish ground and in that way, the undesirable conditions of Indiana have been greatly increased. We trust that the president of the Indiana Bar Association will appoint a committee to assist us in counteracting the baneful influence of lobbyists who put their purse before their patriotism. Mr. Harris and the late John T. Dye have rendered great service to the State by their unselfish labor. I have met with them a number of years before legislative committees working for measures for the common welfare. Having reached the topmost round of their professional ladder they have given the people the benefit of their useful and valuable experience. Mr. Dye will be greatly missed in this constructive work. We trust that the committee appointed will be men of such high character that their service will be for the common good and not for their special clients, that their opinions will be controlled by their conscience, not by their retainers, that we may succeed in having enacted some measure which will reduce industrial calamities, improve the living conditions of workmen and efficiency of our citizenship.